Charitable Giving and Charities:
What to know before you donate

When it comes to a worthy cause, Hoosiers are often willing to lend a hand. But unfortunately, there are unscrupulous organizations that attempt to take advantage of this good will. Learn what to look for when you're asked to give money, and you'll help ensure that your donations go where they're supposed to.

FUND RAISING AND INDIANA LAW

Charities use either their own "bona fide" employees or volunteers to make solicitation calls, or they may hire a professional fund-raiser. The guidelines for each type of fund raising are listed below.

CHARITIES THAT USE THEIR OWN "BONA FIDE" EMPLOYEES OR VOLUNTEERS

Indiana law does not require charitable organizations soliciting donations to register or report their fund-raising campaigns to the state if they are using their own bona fide employees or volunteers. The vast majority of charitable organizations use donations wisely. However, some charities spend a majority of their contributions on administrative expenses or simply more fund raising. Since the attorney general's office does not have the authority to register charities, records are not kept on the amount of money a charity spends on fund raising and administrative expenses versus programs and services as they relate to the charity's purpose.

USING A PROFESSIONAL FUND-RAISER

Under Indiana law, a professional solicitor who solicits contributions for, or on behalf of, a charity must register with the Attorney General's Consumer Protection Division and provide information about its solicitation campaigns on behalf of charities. The information provided must include a copy of the solicitor's contract with the charity. This contract must contain the percentage of gross contributions or revenue that the charity will receive.

A list of all current solicitation campaigns between a professional solicitor and a charity can be found on the attorney general's Web page at: www.in.gov/attorneygeneral. This list includes the name of the charity, the name of the professional solicitor, and the starting and ending dates of the solicitation campaign. The percentage of gross contributions or revenue the charity has received for previous campaigns is available on a separate report.

GUIDELINES TO REMEMBER

- Ask for information about the charity to be mailed to you.
- Don't be pressured into making an immediate contribution.
- You have the right to cancel a pledge for money at any time prior to making the contribution.
- Be careful about solicitors who use 'Police,' 'Trooper,' or 'Firefighter' in their name. Before contributing, call your local police or fire department to determine whether they have authorized a solicitation on their behalf.
- Beware of any solicitor who wants to send a courier to pick up your contribution. Under Indiana law, a contribution cannot be collected in person or by means of a courier unless:
  - The solicitation is made in person and the collection is made at the time of the solicitation,
    OR
  - The contributor has agreed to purchase items in connection with the solicitation and the collection is made at the time of delivery of the items.

RESOURCES

These organizations are equipped to deal with questions and complaints regarding charitable giving:

- Philanthropic Research, Inc. (also known as Guidestar, www.guidestar.org) – provides financial information and other records on thousands of local and national charities, including copies of tax forms the charities have submitted to the Internal Revenue Service.
- BBB Wise Giving Alliance (www.give.org) – provides evaluations of hundreds of charities who solicit nationally or internationally.

The Consumer Protection Division of the Indiana Attorney General's Office works to safeguard the rights of Indiana citizens every day. If you have questions or complaints regarding charitable giving and charities, or other appropriate consumer issues, contact the Attorney General's Consumer Protection Division using the address and phone number listed below, or visit www.in.gov/attorneygeneral for more information.